
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.8.2010

Wall Street Journal: "U.S. Tells HSBC to Improve Oversight ... U.S. authorities ordered HSBC Holdings PLC's North American unit to beef up its risk management and compliance with federal anti-money laundering laws after an investigation found the banking giant's procedures to be subpar."

Wall Street Journal: "New Rules on Bank Breakups ... Federal regulators are expected to outline as early as Friday rules for seizing and dismantling a large financial firm that could allow some creditors to get a better deal than others in limited cases."

Wall Street Journal: "EU Regulators Propose Tougher Bonus Caps ... The Committee of European Bank Supervisors on Friday sided with members of the European Parliament and toed a strict line on bankers' bonuses, capping the amount of cash they can receive up front at 30%, according to guidance published on their website."

Wall Street Journal: "The 'Limited Inflationists' ... Federal Reserve Chairman Ben Bernanke is a student of monetary history, so perhaps he remembers Sumner Slichter. In the 1950s, the Harvard economist made his reputation as the leader of an intellectual band that Time magazine dubbed the "limited inflationists"-the idea that some inflation was good for an economy, and that the Fed should encourage a gradual rise in prices."

Wall Street Journal: "The U.S. Will Lose a China Trade War ... Many Americans believe that the Chinese government is manipulating its currency, thereby stealing American jobs and entrapping the U.S. in an ever-deepening trade deficit. The People's Bank of China announced in June that it will allow the yuan to appreciate-a statement we should take at face value, since the Chinese government won't risk unnecessary isolation."

Washington Post: "IMF chief says China, others may see currency as a 'weapon' ... The head of the International Monetary Fund on Thursday said that China's currency is "substantially undervalued" and that he feared countries had begun viewing exchange rates "as a weapon" in the competition for economic growth."

Washington Post: "Obama won't sign bill that would affect foreclosure proceedings ... President Obama stepped into a growing political furor over the nation's troubled foreclosure system Thursday by vetoing a little-known bill that critics say would have made it easier to evict homeowners who missed their payments."

Washington Post: "Why Amex is fighting Justice's bad deal for credit card holders ... This week, the Justice Department sued Visa, MasterCard and my company, American Express, alleging that our rules prevent consumers from getting a lower price when they shop. Visa and MasterCard quickly settled and agreed to follow a complex set of remedies developed by government attorneys. We chose to fight. Let me explain why."

Washington Times: "JENKINS: Working on excuses ... When President Obama signed the American Recovery and Reinvestment Act into law, the Democratic majority told us it would cost \$787 billion and keep unemployment below 8 percent."

NY Times: "Junk Bonds Are Back on Top ... Jim Casey remembers the fast times when Michael R. Milken ruled Wall Street as the billionaire king of junk bonds."

NY Times: "Make Wall Street Risk It All ... Two years after the near collapse of capitalism, we certainly have our fill of

financial reforms. The 2,200-page Dodd-Frank Act, which President Obama signed this summer, creates an Orwellian alphabet soup of new agencies, oversight boards and offices intended to protect us from ourselves."

LA Times: "Geithner's stature and influence at the White House increase ... In the early weeks of the Obama administration, Treasury Secretary Timothy F. Geithner seemed like the ultimate short-timer."

Politico: "Four obvious, key things still to be done ... In 2007, friends began telling me that something scary was brewing in the financial system. When huge banks starting failing, I started paying attention."